

REMARKS

This application has been reviewed in light of the Office Action dated July 7, 2005. Claims 1-46 are presented for examination. Claims 1, 6, 14-17, 19-21, 32, 34, 35, and 37-40 have been amended to define more clearly what Applicants regard as their invention. Claims 1, 32, 34, 35, and 37-40 are in independent form. Favorable reconsideration is requested.

Entry of Preliminary Amendment

As an initial matter, the Examiner is respectfully requested to review the file to ensure that the Preliminary Amendment filed August 4, 2004 (available in PAIR) has been entered. The Office Action contains rejections that appear to be based on the claims as they stood prior to the changes in that Amendment.

Rejections Under 35 U.S.C. § 112

Claims 15-17 and 19-21 were objected to because they recite a particular brand of dye and a name used in marketing the dye. These claims have been amended to recite the types of dye used in the compositions, rather than tradenames. Thus, the alleged informalities have been cured and accordingly, Applicants respectfully request that the claim objections be withdrawn.

Claims 1-34, 38 and 39 were rejected under 35 U.S.C. § 112, second paragraph, as being indefinite. Specifically, the Examiner took issue with the phrase: “a

transponder system interfacing with said device surface.”¹ Claim 1 has now been amended to recite a transponder system positioned within said device layer. Claims 6, 37, and 38 have been similarly amended (Claims 32, 34, and 39 do not recite the term “interfacing”). Accordingly, Applicants respectfully request that this claim rejection be withdrawn.

The Examiner states that Claims 4, 5, 15-17 and 19-21 are indefinite because they recite composition amounts in terms of weight without giving a total weight.² Applicants note that Claims 4 and 5 do not recite composition amounts at all. Claims 15-17 and 19-21 have been amended to recite the composition amounts in percent by weight. Accordingly, Applicants respectfully request that this rejection be withdrawn.

The Examiner also states that Claims 25 and 26 lack sufficient antecedent basis for the phrase: “said transponder system protocol/sequence controller.” Applicants note that Claim 26 depends from Claim 25, which depends from Claim 23.³ Claim 23 recites: “a transponder system protocol/sequence controller,” which provides sufficient antecedent basis for the corresponding recitations in Claims 25 and 26. Accordingly, Applicants respectfully request that this claim rejection be withdrawn.

Rejections Under 35 U.S.C. § 103

Claims 1, 3, 4, 6-10, 12, 13, 18, 22, 24 and 27-46 were rejected under 35 U.S.C. § 103(a) as being obvious over GB-A-1,371,254 (“Kilmer”) in view of U.S. Patent

¹ Applicants note that in the Preliminary Amendment filed August 4, 2004, Claims 1, 37, and 38 were amended to delete the term “interfacing.”

² The Examiner also rejected Claims 23-26, 28, 30, and 31, as depending from Claims 15-17 and 19-21, but these dependencies were changed in the Preliminary Amendment filed August 4, 2004.

No. 5,809,633 (“Mundigl”). Claims 2 and 5 were rejected as obvious over Kilmer in view of Mundigl and U.S. Patent No. 5,407,893 (“Koshizuka”). Claim 14 was rejected as obvious over Kilmer in view of Mundigl and U.S. Patent No. 4,672,021 (“Blumel”).

Kilmer relates to a coded card exhibiting uniform transmissivity and surface reflectance in the visible light region comprising a first film and a second film laminated upon the first film (Kilmer, page 1, lines 14-18). The films have different optical absorption characteristics at a single frequency, lying within an optical bandpass in the non-visible region, e.g., the infrared region. The card is encoded by either selectively aperturing the second film prior to lamination or laminating discrete portions of the second film upon selected areas of the first film (Kilmer, page 1, lines 18-26).

Mundigl relates to a method for producing a smart card module. The method includes bonding one end of a thin wire onto a first contact zone of a semiconductor chip. The wire is guided in a plurality of turns forming an antenna coil and is bonded onto a second contact area of the semiconductor chip. The wire turns of the antenna coil and the semiconductor chip are placed on a carrier body (Mundigl, abstract).

“To establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art.” MPEP § 2143.03 (citing *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974)). “All words in a claim must be considered in judging the patentability of that claim against the prior art.” MPEP § 2143.03 (quoting *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970)) (emphasis added).

³ Applicants note that in the Preliminary Amendment filed August 4, 2004, Claim 26 was amended to depend from Claim 25, instead of Claim 18.

As acknowledged in the Office Action, Kilmer does not teach or suggest a transaction device including a transponder system, as in Claim 1. Kilmer also does not teach or suggest a transaction device comprising, *inter alia*, “a machine recognizable compound substantially covering said device surface,” as recited in amended Claim 1. Covering the surface of the device in such a manner allows the device to be recognized, for example, when the transaction device is inserted into a machine that detects the presence of a transaction device using radiation, e.g., a point-of-sale terminal (Specification, paragraphs 76-78). By contrast, the second layer in Kilmer is selectively apertured or laminated in discrete portions to encode data on the card (Kilmer, page 1, lines 56-59).

Mundigl, which is cited for its supposed teaching of a card with an RFID transponder system, does not remedy the shortcomings of Kilmer with respect to the features of Claim 1. Specifically, Mundigl does not teach or suggest a transaction device comprising “a machine recognizable compound substantially covering said device surface,” as recited in Claim 1.

Moreover, Mundigl fails to teach or suggest the claimed transponder system. For example, Mundigl does not disclose “a transponder system authentication circuit.” Nor does Mundigl disclose “a transponder system database in communication with said first transponder.” The Examiner’s assertion that “[a]ll transponders generally have at least an ID” is respectfully traversed. (Office Action at page 5). To the extent that the Examiner is relying on common knowledge in the art, Applicants respectfully request that the Examiner cite a reference in support of his position, in accordance with M.P.E.P. § 2144.03.

It is therefore believed that the combination of Kilmer and Mudigl does not teach or suggest all of the features of Claim 1.

It is fundamental that in order to establish *prima facie* obviousness, the Examiner must explain why one of ordinary skill in the art would have been motivated to combine the cited references:

“To support the conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed invention or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references.”

M.P.E.P. § 2142 (citing *Ex parte Clapp*, 227 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985)).

Regarding Kilmer and Mundigl, the Office Action merely states that “it would have been obvious . . . to include the old and well-known RFID/transponders of Mundigl in the card of Kilmer because this permits sophisticated data exchange with the card by radio.” (Office Action at page 5).

Kilmer’s coded card, which is akin to a paper punch card, can store only a minimal amount of data. On the other hand, smart cards, as discussed in Mundigl, can store and process large amounts of data. One of ordinary skill in the art having the teachings of Mundigl would have had no reason to turn to Kilmer, because according to the Examiner’s characterization, Mundigl, by itself, already has the supposedly desirable feature of “sophisticated data exchange with the card by radio.” Likewise, one of ordinary skill in the art having the teachings of Kilmer would not have been motivated to attempt to combine this obsolete technology with the teachings of Mundigl, but rather, would simply

have dropped the technology of Kilmer in favor of that of Mundigl. Thus, the Examiner's rationale does not explain why it would have been desirable to combine Kilmer and Mundigl.

The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination."

M.P.E.P. 2143.01 citing *In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990) (emphasis in original). It is therefore respectfully submitted that the Examiner's rationale does not rise to the level of a "convincing line of reasoning."

Furthermore, "[t]he prior art can be modified or combined to reject claims as *prima facie* obvious as long as there is a reasonable expectation of success." M.P.E.P. § 2143.02 (citing *In re Merck & Co., Inc.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986)). "The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure." M.P.E.P. § 2143 (citing *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991)).

The Office Action does not address whether there is a reasonable expectation of success in combining Kilmer and Mundigl. In this regard, Applicants note that Kilmer's card is formed of very thin sheets of PVC and PVAC film that are laminated together by placing the sheets through hot platens or calendars at a temperature of 250°C (see Kilmer at page 1, lines 53-88). The Office Action provides no basis for expecting such a process to be successful in fabricating a card containing the electronic circuitry discussed in Mundigl, such as a semiconductor chip and a wire antenna coil.

Moreover, the result of Kilmer's process is a very thin, film-like card, which is highly unlikely to be suitable for the electronic circuitry of Mundigl. Indeed, Mundigl

discusses the concern that the bonded connection between the semiconductor chip and antenna coil might be affected by bending stress (see Mundigl at col. 1, ln. 61, through col. 2, ln. 11). The Office Action provides no basis for expecting the bonded connections discussed in Mundigl to be successful on a thin, film-like card, such as the one described in Kilmer.

Accordingly, for the reasons discussed above, Claim 1 is believed to be patentable over the combination of Kilmer and Mundigl.

Independent Claims 32, 34, 35 and 37-40 recite features similar to those discussed above with respect to Claim 1 and therefore are also believed to be patentable over Kilmer and Mundigl for the reasons discussed above.

A review of the other cited reference, including Koshizuka and Blumel, has failed to reveal anything which, in Applicants' opinion, would remedy the deficiencies of the art discussed above, as references against the independent claims herein. Those claims are therefore believed patentable over the cited references.


The other claims in this application are each dependent from one or another of the independent claims discussed above and are therefore believed patentable for the same reasons. Since each dependent claim is also deemed to define an additional aspect of the invention, however, the individual consideration or reconsideration, as the case may be, of the patentability of each on its own merits is respectfully requested.

Conclusion

In view of the foregoing amendments and remarks, Applicants respectfully request favorable reconsideration and early passage to issue of the present application.

Applicants' undersigned attorney may be reached in our New York office by telephone at (212) 218-2100. All correspondence should continue to be directed to our below listed address.

Respectfully submitted,

A handwritten signature in cursive script, reading "Carl B. Wischhusen", written in dark ink.

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